

CREATING AN MSBU

5 - STEP PROCESS

STEP	WHAT TO EXPECT
1 Apply	Applicant requests, receives and reviews application packet. MSBU Program answers questions and responds to concerns about the MSBU process. Applicant completes and submits application with the required fee and documentation.
2 Review	MSBU Program reviews application and scope of services to confirm feasibility and acceptance of application. MSBU Program reviews project scope and cost estimates and offers detailed information regarding the requested MSBU. Information is available to applicant, liaisons and the community. [When applicable] MSBU Program confirms preliminary analysis fee and applicant submits prepayment of fee.
3 Petition	MSBU Program coordinates the <i>Petition to Create MSBU</i> process. [When applicable] Applicant obtains and submits applicable easement and/or dedication agreements.
4 Create	The Board of County Commissioners conducts a Public Hearing to consider creation of requested MSBU. If approved, a governing ordinance is adopted and an assessment lien is recorded in County Land Records.
5 Implement	MSBU Program, designated department and community liaison(s) implement and complete authorized project. For capital improvements, the Board of County Commissioners conducts a second Public Hearing after construction to establish final assessment based on actual project cost. Assessments (or installments) will be included on the first available tax roll.

Who do I contact if I am interested in an MSBU?

Simply contact an MSBU Program Representative at (407) 665-7178 to discuss your project or to request an application packet. Detailed information about the MSBU process for each project type is readily available.

RELATED TERMINOLOGY

Assessment District – area or group of properties assigned a pro-rata amount to fund an essential public service or improvement offering benefit to those properties

Benefit - direct or indirect assistance or advantage

Benefit Unit – equitable base or measure used for allocating cost; such as parcel, acreage, or dwelling

Capital Improvement Assessment - amount levied for a constructed improvement for which the amount is levied once but may be repaid in annual installments over a period of years

Liaison - applicant or person that voluntarily serves as a spokesperson for the community during the various phases of the MSBU process

Lien - a legal claim upon property to secure the payment of a debt or obligation

Municipal Service - assistance or improvement provided by a local government to serve a public purpose

Municipal Services Benefit Unit [MSBU] - an assessment district created to fund a localized public service

Non-Ad Valorem Assessment [NAVA] - amount levied on a property by criteria other than property value; typically assigned by units of benefit

Ordinance - an authoritative order or legislation enacted by a municipal authority such as the Seminole County BCC

Petition [MSBU Petition] - document prepared by the MSBU Program and used to determine level of community support for creating an MSBU

Pro-rata - a proportionate allocation

Public Purpose - available or pertinent to the people as a whole; open to all members of a community; may be provided by local authorities and supported by money from taxes, fees or assessment

Public Hearing - a special meeting which allows the public to comment on proposed plans and projects before the local government makes a final decision

Public Service – essential service provided by a government to people living within its jurisdiction

Unincorporated area - a region of land outside the taxing boundary of a city; governed by the County

Variable Rate Assessment - an amount levied annually to fund an ongoing service for which the service cost may change each year

For additional information, contact:
MSBU Program • 1101 East First Street • Sanford, FL 32771
(407) 665-7178
or visit: www.seminolecountyfl.gov/msbu



WHAT IS AN MSBU?

An Option to Make Improvements to Your Community



Municipal Services Benefit Unit Program

Seminole County Government
Department of Resource Management
November 2014



What is an MSBU? An “MSBU” (Municipal Service Benefit Unit) is a non-ad valorem assessment district created to fund a public service or capital improvement. An MSBU consists of a group of properties that share in the benefit and cost of the service provided. The assessment allocated to each property is based on the service cost, total number of benefit units and the number of benefit units assigned to each property. A benefit unit may be a parcel, dwelling, linear foot or other equitable unit.



MUNICIPAL SERVICES BENEFIT UNIT PROGRAM

What public services qualify?

The Seminole County MSBU Program offers MSBU funding opportunities for various types of services/improvements that serve a public purpose, such as:

- **Street lighting** which includes streetlight fixtures, poles and utilities for residential communities
- **Aquatic weed control** which includes chemical, mechanical and biological control of invasive aquatic plants
- **Construction projects** such as lake restoration, retention pond renovation, road paving & stormwater drainage, sidewalks, centralized water and/or sewer line extension and neighborhood wall reconstruction

What are the basic requirements?

The Seminole County Board of County Commissioners [BCC] will give approval consideration for an MSBU when the following conditions are met:

- The benefiting property is located in unincorporated Seminole County.
- The property upon which the improvement is to be made is publicly owned, leased or granted necessary easement.
- Two or more properties receive benefit and participate in the MSBU.
- Project is supported by majority of owners.
- MSBU Program Guidelines/Procedures are satisfied.

What costs are included in an MSBU assessment?

Assessment is based on the cost to provide the service. The service cost may include:

- Project analysis
- Engineering/design/construction
- Contracted services
- Equipment Installation
- Utilities
- Administration
- Financing
- Other direct and indirect costs

Cost estimates are provided at various stages in the MSBU process based on project analysis and/or engineering requirements. For most services, an estimated cost range is identified and continuance is subject to not exceeding a specific amount.

For projects requiring contracted analysis and/or statement of probable cost, the expense of the analysis is prepaid by the applicant or other private sources. Provisions are available for crediting the prepayment to the final assessments, given MSBU creation and project completion.

How are assessments calculated?

Most authorized MSBU services have a standard “unit of benefit” for cost allocation and assessment. Typical benefit units include: parcel, dwelling, front footage, and acreage. The assessment per property is based on total service cost, total number of benefit units (all properties in the MSBU), and the number of units assigned to an individual property.

When are assessment payments collected?

For most MSBU projects, the County provides the initial funding and repayment is collected from the benefiting properties through non-ad valorem assessment on the property tax bill. Assessments are defined as either **capital improvement** or **variable rate**.

- **Capital improvement assessments** are related to projects requiring repayment over a period of years. These assessments are payable after the project is completed. Installment billing begins in the first available tax year thereafter.
- **Variable rate assessments** are assigned to MSBUs that are ongoing and for which the assessment rate is calculated annually based on the estimated cost to continue the service. Billing begins in the first available tax year following creation of the MSBU.

Who coordinates the projects?

The process of creating an MSBU begins by application. The MSBU Program works closely with the applicant throughout the project. The MSBU Program is responsible for:

- Providing MSBU process information
- Coordinating cost estimates
- Determining owner support
- Coordinating BCC approval
- Obtaining and monitoring contracts
- Determining assessment rates
- Maintaining MSBU records

The applicant and other community liaisons are responsible for promoting the project by encouraging interest and community support.

How is MSBU support determined?

A *Petition to Create an MSBU* document is distributed by the MSBU Program to determine the level of property owner support for creating the MSBU. The petition communicates:

- Project scope
- Responsibilities & expectations
- Estimated cost of the project
- Estimated per property cost share

Property owners are requested to sign and return the petition indicating their support or opposition to the proposed MSBU. Street lighting projects require a support level of 55% while all other projects require 65%.

**Have questions? Call (407) 665-7178 or visit the MSBU Program
Web site: www.seminolecountyfl.gov/msbu**